

This Page Is Inserted by IFW Operations  
and is not a part of the Official Record

## **BEST AVAILABLE IMAGES**

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images may include (but are not limited to):

- BLACK BORDERS
- TEXT CUT OFF AT TOP, BOTTOM OR SIDES
- FADED TEXT
- ILLEGIBLE TEXT
- SKEWED/SLANTED IMAGES
- COLORED PHOTOS
- BLACK OR VERY BLACK AND WHITE DARK PHOTOS
- GRAY SCALE DOCUMENTS

**IMAGES ARE BEST AVAILABLE COPY.**

**As rescanning documents *will not* correct images,  
please do not report the images to the  
Image Problem Mailbox.**

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119**R E M A R K S**

Claims 1 to 44 remain pending in the present application.  
Claims 1, 34, 36, 38, 40, 41, 43 and 44 are independent.  
Applicants have filed an RCE herewith.

**I. Independent and Dependent Claims**

Despite Applicants' citation to MPEP 608.01(n)(II); Applicants' explanation regarding the independence of Claims 34, 38, and 41 in Paper 9 filed September 20, 2001; and Applicants' payment of fees for these independent claims, the Examiner continues to characterize Claims 34, 38, and 41 as dependant claims. The Examiner's rational for doing so appears on page 33 of the present Office Action.

The Examiner asserts that these claims "appear to be dependant claims based on wording recited in the claims" that he characterizes as "language of dependence." Applicants are not aware of (nor has the Examiner identified) and statutory or case law that supports the Examiner's characterization of Applicants' claim language as "language of dependence." In other words, it appears to Applicants that the Examiner does not have a legal basis for his classification of Claims 34, 38, and 41 as dependent and he is asserting that these claims are dependent merely because they each make reference to another claim. As previously stated in Paper No. 9, these claims are actually independent because they may be infringed by something that does not infringe the claims to which they refer.

**II. Section 112 Rejections**

Applicants acknowledge, and thank the Examiner for, the withdrawal the Section 112 rejections.

**III. Section 103(a) Rejections**

The Examiner has maintained his 35 U.S.C. Section 103(a) rejection of Claims 1 to 42 based on U.S. Patent No. 5,544,784 to Malaspina in view of U.S. Patent No. 5,918,213 to Bernard et al. The Examiner has further rejected Claims 43 and 44, added in Paper No. 9, under 35 U.S.C. Section 103(a) based on Malaspina in view of Bernard. Applicants respectfully traverse the Examiner's Section 103(a) rejections.

**Applicants Challenge Examiner's Use of Official Notice**

In Paper No. 9, regarding the rejection of Claim 41, Applicants specifically requested that the Examiner support his use of Official Notice with a reference. The Examiner has not done so and thus has not complied with MPEP 707.7(f), nor Applicants' request under MPEP 2144.03. Upon further review of Paper No. 7 and the present Office Action, Applicants note the Examiner's over-reliance upon "Official Notice" to improperly fill gaps (frequently entire claim elements, sometimes an entire claim) in constructing his combination of Malaspina and Bernard. Thus, Applicants respectfully request a supporting reference for each of the following instances of Official Notice:

pg. 7, paragraph #2, per claim 4: "determining an acceptance rate of said chosen alternate product in relation to said product selection, and, determining whether said product

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

selection qualifies for an alternate product offer based on said acceptance rate.”

pg. 7, paragraph #6, per claim 5: “determining that said product selection qualifies for an alternate product offer if said acceptance rate is greater than a predetermined value.”  
(entire claim)

pg. 8, paragraph #4, per claim 6: “wherein there is at least one product item associated with said product selection and each of said at least one product item has an expiration date associated therewith,

and wherein step (b) includes the steps of:

- (b1) choosing an alternate product having at least one product item associated therewith,
- (b2) determining an expiration date for a predetermined one of said at least one product item associated with said alternate product, and,
- (b3) determining that said product selection qualifies for an alternate product offer if said determined expiration date of the predetermined product item is a later date than said expiration date of the predetermined alternate product item.”  
(entire claim)

pg.10, paragraph #3, per claim 8: “each of said at least one product item having an expiration date associated therewith,

- (b2) determining an item expiration date for a predetermined one of said at least one product item associated with said alternate product, and,
- (b3) using said item expiration date to determine whether said product selection qualifies for an alternate product offer.

pg.11, paragraph #1, per claim 9: “(b1) determining an item expiration date for a predetermined one of said at least one product item associated with said product selection, and,

- (b2) using said item expiration date to determine whether said product selection qualifies for an alternate product offer.

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

pg.11, paragraph #5, per claim 10: "determining that said product selection qualifies for an alternate product offer if said alternate product profit margin is greater than said profit margin associated with said product selection."

pg.12, paragraph #4, per claim 11: "wherein each of said at least one product item associated with said chosen alternate product has an expiration date"

pg.12, paragraph #6, per claim 11: "wherein said profit margin associated with said alternate product is chosen to be a function of said expiration date."

pg.13, paragraph #4, per claim 12: "using said available quantity of vendible product items associated with said product selection to determine whether said product selection qualifies for an alternate product offer."

pg.15, paragraph #3, per claim 14: "using said available quantity of vendible product items associated with said alternate product to determine whether said product selection qualifies for an alternate product offer."

pg.16, paragraph #1, per claim 15: "(b1) determining a demand rate for said product selection,

(b3) determining a demand rate for said alternate product,

(b4) comparing said demand rate for said product selection and said demand rate for said alternate product, and,

(b5) determining based on said step of comparing whether said product selection qualifies for an alternate product offer."

pg.16, paragraph #5, per claim 16: "(b2) determining a demand rate for said product selection,

(b3) comparing said demand rate with a predetermined rate, and,

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

(b4) determining based on said step of comparing whether said product selection qualifies for an alternate product offer.”

pg.17, paragraph #4, per claim 17: “(b2) determining a number of days until expiration for a predetermined one of said at least one product item associated with said alternate product,”

pg.18, paragraph #2, per claim 17: “(b3) comparing said number of days until expiration with a predetermined number of days, and,

(b4) determining based on said step of comparing whether said product selection qualifies for an alternate product offer.

pg.18, paragraph #6, per claim 18: “wherein said alternate product offer message includes an offer of an incentive for the customer to purchase another item.” (entire claim)

pg.19, paragraph #4, per claim 19: “wherein said offer of an incentive is an offer of a future incentive.”

pg.19, paragraph #7, per claim 20: “wherein said offer of an incentive is accompanied by a presentation of a coupon code representative of said offer of an incentive.”

pg.20, paragraph #3, per claim 21: “wherein said coupon code comprises a character sequence.”

pg.20, paragraph #6, per claim 22: “wherein a representative of an offer expiration date is encoded within said character sequence.”

pg.18, paragraph #6, per claim 23: “wherein said alternate product offer message includes an offer of an incentive for the customer to purchase another item.” (entire claim)

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

pg.21, paragraph #6, per claim 24: "wherein said offer of an incentive is an offer of a discount in price."

pg.22, paragraph #3, per claim 25: ", wherein said offer of a discount is an offer of a present discount."

pg.22, paragraph #7, per claim 26: "wherein said offer of a discount in price includes an offer of a discount for an item corresponding to said alternate product offer."

pg.27, paragraph #2, per claim 31: "wherein said offer to purchase said alternate product includes an offer to purchase said alternate product at a special price approximately equal to said amount of money received from the customer."

pg.27, paragraph #5, per claim 32: "wherein said special price is a discounted price."

pg.28, paragraph #5, per claim 33: "(c1) selecting a plurality of products, each of said plurality of products having a profit margin associated therewith,  
(c2) determining which of said associated profit margins is a largest profit margin,  
(c3) identifying which of said plurality of products is associated with said largest profit margin,  
(c4) selecting for presentation in an alternate product offer message any product so identified, and,  
(c5) presenting said alternate product offer message if said product selection so qualifies." (entire claim)

pg.30, paragraph #3, per claim 41: "a microprocessor, said microprocessor controlling the distribution of said plurality product types by said vending machine according to the method of Claim 40, being in electrical communication with said input device, and, being responsive to said input device; and, a message output device responsive to said microprocessor, said message output device for presenting said alternate product offer

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

message to customer.

Note that unless otherwise specified, page numbers above refer to the pages of the Office Action mailed January 24, 2001 (Paper No. 11)

### Challenge

Applicants are not required to "create reasonable doubt" regarding an unsupported and undocumented assertion used as a reference in a rejection under Section 103. The burden is on the Examiner to provide a basis for rejection based on the facts of record.

Applicants note that the Official Notice constitutes assertions that various processes were known or used by the public. For example, "charging monetary amounts as penalties is well known".

It is impossible to "create a reasonable doubt" regarding whether a process was known or used by the public in the past. Applicants cannot envision any way to show that *something did not occur or was not known* anywhere in the United States in the past.

### The Examiner must provide a reference.

Per MPEP 2144.03, the burden is on the Examiner to provide a reference once such a request has been made. In addition, the references and examples do not support the officially noted subject matter used as the basis for the rejections for obviousness.

Officially-noted subject matter cannot be used as the primary basis for a rejection under 103. In other words, official notice alone of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art.

See, e.g., In re Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added);

In re Eynde, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are **not amenable to the taking of judicial or administrative notice.**") (emphasis added);

In re Pardo, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always **construe [the rule permitting judicial notice] narrowly** and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added)

Official Notice may be used, if at all, to clarify the meaning of a reference. See, e.g., In re Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

#### Request for Factual Findings

The officially-noted subject matter comprises the principal evidence upon which the rejections under Section 103 are based.

Applicants dispute all of the various assertions in the Office Action regarding what "was expected in the art" and what "was well known in the art." Applicants likewise dispute all assertions which were not proper factual findings because they are mere conclusions without any support in the record.

Applicants reiterate the request for support for the factual assertions regarding the prior art and regarding the motivations present in the prior art which were not present in any references cited by the Examiner.

#### Applicants Reiterate the Remarks of Paper No. 9

The Examiner states that Malaspina shows "elements that suggest" the limitations of claim 1. In particular, the Examiner cites, without elaboration, certain portions of Malaspina, namely FIGS. 1 - 3 and 5; the Abstract; col. 2, lines 44 - 67; col. 3, lines 1 - 56; col. 4, lines 33 - 45; and col. 6, lines 15 - 17.

#### Malaspina does not suggest an "alternate product offer"

From this brief rejection, Applicants are unsure which limitations the Examiner believes to be suggested by which portions of Malaspina. However, it is clear that Malaspina does not disclose, suggest or even hint at an "alternate product offer". Accordingly, the various limitations of claim 1 that involve an "alternate product offer" (i.e., virtually every step of claim 1) cannot be suggested by Malaspina.

The portions of Malaspina referred to by the Examiner are devoid of any suggestion of any offer at all, much less an "alternate product offer", and much less any of the limitations of claim 1 that involve an "alternate product offer".

FIG. 1 of Malaspina is a block diagram of a vending machine system. It shows components such as a central control unit and a customer interface.

FIG. 2 of Malaspina is a perspective cutaway view of a vending machine. It shows components such as an interface unit, which includes a money handling unit, a display, and an input means such as entry pad for generating selection information.

FIG. 3 of Malaspina is a perspective view of a vending machine much like FIG. 2, but further including a communications relay station having an antenna for receiving and transmitting short range communications signals.

FIG. 5 of Malaspina is a block diagram of a battery pack dispensing sub-system. It includes a new battery reservoir, battery dispensing unit, recharged battery reservoir, battery handler, and battery delivery port.

The Abstract of Malaspina generally describes a vending machine for vending a rechargeable battery pack. A customer can purchase a new battery or exchange a discharged battery for a fully charged one of similar condition.

Col. 2, lines 44 - 67 and col. 3, lines 1 - 56 of Malaspina generally describe the components illustrated in FIGS. 1 and 2, described above.



PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

Col. 4, lines 33 - 45 of Malaspina generally describes the housing and power cable of the vending machine.

Col. 6, lines 15 - 17 of Malaspina states that "numerous delivery systems are currently employed by an automatic teller and vending machines, and the technology associated with them is easily applicable here."

Bernard does not suggest an "*alternate product offer*"

Bernard likewise does not disclose, suggest or even hint at an "*alternate product offer*". Accordingly, the various limitations of claim 1 that involve an "*alternate product offer*" (i.e., virtually every step of claim 1) cannot be suggested by Bernard.

The portions of Bernard referred to by the Examiner (FIGS. 24, 25 and 44) are devoid of any suggestion of any offer at all, much less an "*alternate product offer*", and much less any of the limitations of claim 1 that involve an "*alternate product offer*".

FIG. 24 of Bernard is a flow diagram illustrating a process by which a particular idol of a chosen artist is selected.

FIG. 25 of Bernard is a flow diagram illustrating a process by which a selected artist only has one title.

FIG. 44 of Bernard is a flow diagram illustrating a process by which an automated in-store order fulfillment center operates.

The Examiner contends that the cited portions of Bernard suggest the claimed step of:

*dispensing a second product that corresponds to said product selection if the customer has not so accepted*

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

However, since the cited portions of Bernard suggest neither:

*an alternate product offer*

nor

*determining if the customer has accepted said alternate product offer*

they cannot suggest the claimed step of:

*dispensing a second product that corresponds to said product selection if the customer has not so accepted*

#### Independent Claims 34, 36, 38 and 40

Independent claims 34, 36, 38 and 40 are "rejected for substantially the same reasons as claim 1". Accordingly, since claim 1 is patentable over the references as described above, independent claims 34, 36, 38 and 40 is likewise patentable.

Claim 34 includes the limitations of "*an alternate product offer*" through its reference to claim 1.

Claim 36 includes various limitations directed to "*an alternate product offer*" and "*an alternate product offer rule associated with an original product selection*". It is clear that Malaspina and Bernard do not disclose, suggest or even hint at such limitations. Accordingly, the various limitations of claim 36 that involve such limitations (i.e., virtually every step of claim 36) cannot be suggested by Malaspina and Bernard.

Claim 38 includes the limitations of "*an alternate product offer*" and "*an alternate product offer rule associated with an original product selection*" through its reference to claim 36.

Claim 40 includes various limitations directed to "*an alternate product offer*". As described above, it is clear that Malaspina and Bernard do not disclose, suggest or even hint at such a limitation. Accordingly, the various limitations of claim 40 that involve "*an alternate product offer*" (i.e., virtually every step of claim 40) cannot be suggested by Malaspina and Bernard.

#### Independent Claim 41

Independent claims 41 is "rejected for substantially the same reasons as claim 40". Claim 41 includes the limitations of "*an alternate product offer*" through its reference to claim 40. Accordingly, since claim 40 is patentable over the references as described above, independent claim 41 is likewise patentable.

In addition, the Examiner has taken Official Notice on page 31 of the Office Action that various limitations of claim 41 "were expected in the art by one of ordinary skill... because such applications were well known in the art".

From the Official Notice described on page 31 of the Office Action, Applicants cannot properly determine what exactly is alleged as being well known. Accordingly, Applicants cannot precisely describe how the present invention would distinguish over this material since the exact nature of the material is unstated. Accordingly, Applicants request a reference to more describe the official noted subject matter in more detail. MPEP 2144.03.

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119Dependent Claims.

The remaining claims rejected under 35 U.S.C. § 103(a) are dependent on claims previously described as patentable. Accordingly, these claims are likewise patentable.

No Motivation to Combine Malaspina and Bernard

Malaspina is directed to a machine for vending a rechargeable battery pack. Bernard is directed to an automated product purchasing and previewing system which allows customers to shop for and purchase products via a remote communications medium.

The two references are not analogous. Further, there is no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine references in the manner proposed by the Examiner.

The Examiner suggests that one would combine Malaspina and Bernard because "such a combination would have provided a means of 'browsing to learn more about products which are popular or in great demand but about which the customer may not be aware.'" This "motivation" is unrelated to either Malaspina or the present invention, and is accordingly not a proper motivation to make the proposed combination.

**IV. Claims 43 and 44**

Claims 43 and 44 distinguish over the references cited by the Examiner, alone or in combination. In Paper No. 9, Applicants identified elements not present in the relied upon references. Specifically, in Claim 43, "*presenting an offer for a second product in lieu of a first product which is selected*" is not suggested by the references; and in Claim 44, "*displaying an offer to for the second product instead of the first product which is selected*" is not suggested by the references. In asserting his rejection, the Examiner does not indicate where these elements are taught in the references. Further, Applicants assert that the rejection of Claims 43 and 44 is untenable for the same reasons asserted above regarding Claims 1 to 42.

**Conclusion**

For the foregoing reasons it is submitted that all of the claims are in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number 203-461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

**Petition for Extension of Time to Respond**

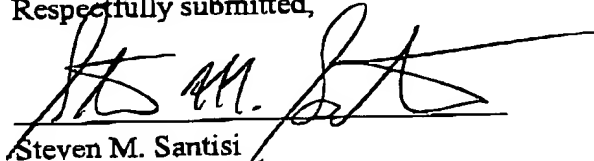
Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$460.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

PATENT

Application No. 09/345,092  
Attorney Docket No.: 98-119

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



Steven M. Santisi  
Attorney for Applicants  
Registration No. 40,157  
ssantisi@walkerdigital.com  
Walker Digital Corporation  
Five High Ridge Park  
Stamford, CT 06905-1326  
203-461-7054 / voice  
203-461-7300 / fax

July 24, 2002  
Date